

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

WILLIAM T. MOCK; *et al.*,

Plaintiffs,

v.

MERRICK GARLAND, in his official
capacity as Attorney General of the United States;
et al.,

Defendants.

Civil Action No. 4:23-cv-00095-O

SUPPLEMENTAL DECLARATION OF DAVID DAHL

I, David Dahl, declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the following statements are true and correct to the best of my knowledge:

1. I am over 18 years of age, competent to testify, and have personal knowledge of the matters stated herein.

2. I am the Chief Operating Officer and Executive Vice President of Manufacturing of Maxim Defense Industries, LLC (“Maxim Defense”) and have held those positions since 2018. I have worked for Maxim Defense, in some capacity, since 2015.

3. As Maxim Defense understands the Final Rule, and the newly amended federal regulations, as of January 31, 2023, it is prohibited from selling pistols with stabilizing braces attached (“braced pistols”) as ordinary firearms, absent the onerous requirements of the National Firearms Act (“NFA”). Any attempt to continue to sell braced pistols absent the onerous NFA process would potentially expose Maxim Defense to large fines and criminal liability—a risk Maxim Defense cannot take. While Maxim Defense may sell stabilizing braces on their own, the demand for the product has been almost completely destroyed by the Final Rule’s seemingly

uniform treatment of stabilizing braces as if they were stocks, despite Maxim Defense's clear design, manufacture, and intention for those products to operate to stabilize large, heavy pistols on the forearm.

4. As previously forecasted, Maxim Defense lost \$766,635.72 in sales of its stabilizing braces in February 2023 due to the impact of the Final Rule. These losses include a loss of direct consumer sales of Maxim Defense's products, as well as cancelled and discontinued OEM orders. Three of Maxim Defense's major OEM customers discontinued their stabilizing brace orders due to the impact of the Final Rule.

5. Maxim Defense lost total sales of over \$900,000 in February 2023, compared to February 2022, and of almost \$1.2 million from March 1st through 14th, 2023, compared to the same period in 2022.

6. Based on this information and Maxim Defense's projections, Maxim Defense will continue to lose over \$400,000 per month on braced pistols sales, for a total of over \$4.5 million in 2023.

7. In February 2023, Maxim Defense was forced to part ways with 5 of its staff members as a direct result of these losses caused by the Final Rule.

8. Absent an injunction, Maxim Defense will have to continue to undertake a strategic restructuring and reorganizing of its operations to mitigate the impact of the ongoing loss of revenue. Maxim Defense anticipates its debt will grow by 8.25% per month and due to this financial setback, Maxim Defense must adopt a twofold approach to avoid imminent bankruptcy. Maxim Defense will be forced to attempt to liquidate millions of dollars of inventory to pay down debt and to implement a workforce reduction plan, which entails reducing staffing levels by 40–

50%. In other words, absent an injunction, Maxim Defense anticipates having to part ways with an additional 12 to 14 employees over the next few months.

9. Absent an injunction, Maxim Defense anticipates being forced to spend an additional \$250,000–\$350,000 annually for content development, promotions, and events globally to try to reestablish its brand in a new and different market.

DATED this 17th day of March, 2023.

A handwritten signature in black ink, appearing to read "David Dahl", is written above a horizontal line.

David Dahl
COO/EVP of Manufacturing
Maxim Defense Industries, LLC